

Correspondence No. 1
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Enclosure B

**COUNTY RESPONSE COVER PAGE – MUST BE FULLY COMPLETED AND
SUBMITTED WITH PLAN AND DATA**

Stanislaus County is requesting participation in the Enhanced Anti-Fraud Program
and will submit a Plan and Data as described above, by November 1, 2009.

Board of Supervisor Approval

Approved on November 24, 2009, by the County Board of Supervisors

Name of Approver: Jim DeMartini

Signature 

✓ Name of County District Attorney Representative: Birgit Fladager

County District Attorney Representative Telephone #: 209-525-5550

Email Address: Birgit.Fladager@standa.org

✓ Name of County Welfare Department Representative: Christine C. Applegate

County Welfare Department Representative Telephone #: 209-558-2500

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*Egon Stammer
Director
will follow up*

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CHECKLIST OF REQUIRED COMPONENTS TO BE INCLUDED IN THE PLAN

NOTE: Failure to include any of the following required components in the Plan, as outlined in Enclosure C, may result in non-award of funds:

- ☒ IHSS Overpayments/Underpayments Activities and Data
- ☒ IHSS Fraud Referrals/Outcomes Activities and Data
- ☒ Collaboration and Partnerships with District Attorney's Office (DAO) related to the IHSS Program
- ☒ County Collaboration and Partnerships with California Department of Health Care Services (DHCS) and the California Department of Social Services (CDSS) related to the IHSS Program
- ☒ Mechanism for Tracking/Reporting IHSS Fraud Data and Activities
- ☒ County's Current and Proposed Anti-Fraud Activities related to the IHSS Program
- ☒ County Proposed Budget for Utilization of Funds (use Enclosure A as a guideline)
- ☒ Description of how the County will integrate other Program Integrity Efforts into the Plan
- ☒ Commitment to produce an Annual Outcomes Report (due August 1 of each year)
- ☒ Data Reporting Spreadsheet (Enclosure D – includes data from 2004 to present)

**Stanislaus County
Community Services Agency
Plan for In-Home Supportive Services Program Integrity Efforts
October 29, 2009**

The Stanislaus County Community Services Agency (SCCSA) strongly values program and agency integrity. SCCSA currently has a Special Investigations Unit (SIU) comprised of twenty-four staff who are trained to investigate public assistance fraud, including IHSS fraud. Prior to the legislative change in 2004 (WIC 12305.82), the SIU at SCCSA completed all IHSS Fraud Investigations for Stanislaus County. These investigations were completed timely and thoroughly and often resulted in discontinuance or denial of benefits, as well as overpayments and in some cases, referrals to the District Attorney for prosecution. Although counties are now limited in scope by the \$500.00 maximum overpayment allowed to be investigated at the county level, pursuant to WIC 12305.82(c), SCCSA is prepared to implement a robust early fraud detection pilot program to identify, deter and prevent fraud in the early stages of the IHSS program.

The SCCSA plan for implementation of the IHSS program integrity efforts consists of the following components (as required by CDSS):

Fraud Referrals/Outcomes

The SCCSA SIU will hire three additional contract or extra-help Special Investigators and one contract or extra-help Fraud Technician, as outlined below in "Proposed Budget", to investigate referrals for suspected fraud submitted by IHSS caseworkers, as well as to conduct early fraud prevention/detection interviews and home visits on a random sampling of intake cases. The minimum number of IHSS cases investigated each month shall be no less than one hundred (100), and shall include both relative and non-relative care providers.

The referrals and outcomes will be submitted and tracked electronically in the C-IV automated welfare system, SIU section, which already has all of the necessary investigation tracking mechanisms in place. Any additional tracking and/or reporting requirements needed outside the C-IV system will be tracked by an extra-help accountant.

The SCCSA and Stanislaus County District Attorney's Office (DAO) work together with investigation and prosecution of public assistance fraud. The investigation component is handled by the SIU at the SCCSA, and the prosecution activity is handled by the DAO.

IHSS Overpayments/Underpayments

All overpayments identified as a result of the investigations will be set up by the SIU eligibility specialist when the amount is under \$500 (pursuant to WIC 12305.82(c)). For

those potential overpayments that may exceed \$500, a referral will be made to the Department of Health Care Services (DHCS) for further investigation. Upon determination from DHCS that an overpayment is warranted, the current or last assigned County IHSS worker will set up the overpayment. All underpayments will also be identified and set up by the County IHSS worker.

It should be noted that the focus of this pilot plan, due to the limited scope of investigation allowed by law, will be early fraud prevention and detection at intake, which generally results in a large cost-avoidance savings and not necessarily an overpayment. Early fraud has historically been the largest return on investment in any public assistance program. All cost-avoidance savings will be tracked and outcomes will be reported. Cost-avoidance savings will be calculated based on a yearly savings amount (twelve months for each denial or discontinuance). Conducting this pilot program will provide SCCSA with the opportunity to establish baseline results of fraud in the IHSS program and will help in improving efficiency. Once baseline results are established, the actual return on investment will be determined and reported as requested.

Collaboration and Partnerships with the District Attorney's Office

SCCSA SIU partners with the DAO for prosecution of those who commit public assistance fraud. A dedicated prosecutor is already contracted by SCCSA and is assigned to the SIU for handling public assistance fraud cases. This has been a successful partnership that resulted in 84 criminal convictions for public assistance fraud in other programs in FY 08/09.

In 2008, one notable case was an IHSS case that involved a caseworker at SCCSA. DHCS granted the SCCSA SIU authority to conduct this investigation due to the internal employee being the suspect. The dollar amount involved in the case was small (approximately \$200/month being paid out); however over time, with an ongoing case, the loss would be much larger as it accumulates. The investigation was thoroughly conducted by SIU using effective electronic surveillance methods and techniques, and the end result was evidence that the SCCSA employee/care provider was not providing the care she claimed to be providing to her relative. This resulted in an overpayment of \$558.77 for the months the investigation was conducted, and more importantly, it resulted in the case being discontinued, as well as appropriate personnel action for the employee. In addition, through our partnership with the DAO, the employee/suspect was prosecuted and convicted of fraud and will serve a 10 year penalty disallowing her to be an IHSS provider.

In addition, in 2005, another notable case was that in which a provider falsified time cards claiming he cared for his relative while the relative was in an inpatient care facility. This investigation was conducted by SIU and resulted in an overpayment of \$1,731.96. The DAO, through our partnership, filed charges and due to the provider's criminal history, obtained a felony conviction with prison time and will serve a 10 year penalty disallowing him to be an IHSS provider.

Collaboration and Partnerships with the California Department of Health Care Services (DHCS) and the California Department of Social Services (CDSS)

SCCSA currently has an electronic database that tracks all referrals made to DHCS and the outcomes associated with each referral. This will continue to be tracked and reported out to CDSS upon request and as required.

The SCCSA SIU already has a working relationship with the DHCS investigators and will continue to collaborate with them on joint investigations, referrals and prosecutions. The SIU Chief has had preliminary discussions with the Chief Investigator at DHCS and they will work together to share resources needed to combat IHSS fraud. The SCCSA SIU will be available to assist with any DHCS IHSS fraud investigations.

Mechanism for Tracking/Reporting

SCCSA will track and report referrals and outcomes to CDSS as requested and annually when final data for the SFY is due on August 1, 2010. In addition to this specialized IHSS fraud reporting, we will continue to submit the Fraud Investigation Activity Report (DPA 266) to CDSS each month as required, which will also include much of the required data.

The mechanism used for tracking and reporting will be the automated C-IV system, the electronic database already in use, and manual tracking as needed by an accountant assigned to this function.

County's Current and Proposed Anti-Fraud Activities

The county currently conducts Quality Assurance (QA) reviews as required and will continue to do so; however, since the legislative change in 2004, no early anti-fraud investigative activities have been conducted.

The investigative staff added with this funding will be responsible for conducting random reviews of intake cases to ensure initial eligibility for the program. The reviews will include a review of the case file, interviews with the recipient and/or provider, and an unannounced home visit to assess the situation. In cases where fraud is suspected but not easily identifiable, further investigation will continue, which will often times include electronic surveillance to thoroughly assess the situation. Electronic surveillance has proven to be an extremely useful tool in resolving IHSS fraud investigations.

Both the QA activities and the early fraud investigation activities will be tracked and reported. The QA activities will provide error rate information, and the early fraud investigation activities will provide cost-avoidance savings.

County Proposed Budget for Utilization of Funds

The proposed funding available will be utilized as follows:

- 3 Personal Service Contract or Extra-Help Special Investigator I/II's \$218,260
 - 1 Extra-Help Accountant II \$ 37,000
 - 1 Personal Service Contract or Extra-Help Fraud Technician \$ 37,000
 - 4 law enforcement background investigations (including Psychological evaluation, polygraph and medical exam) \$ 12,400
 - Peace officer mandatory safety equipment \$ 3,000
 - Specialized law enforcement investigative electronic surveillance equipment
 - Covert Tracking/Locating Devices \$ 15,000
 - Portable Video Surveillance Equipment \$ 25,000
 - Handheld Video Recording Devices \$ 25,000
 - Audio Transmitting/Recording Equipment \$ 25,115
- \$ 397,775**

At this time, SCCSA is recommending adding the new staff as Contractors or Extra-Help employees due to the uncertainty of the sustainability of the funding. Should it become clear that the funding is stable for multiple years, and the pilot program has proven to be successful, a recruitment for regular full-time staff will be conducted.

Description of how the County will Integrate Other Program Integrity Efforts within the Plan

The SIU will work with IHSS caseworkers in the Adult Services IHSS division to provide training on how to detect and prevent fraud during the application process. The SIU investigators will be available to partner with the IHSS workers to conduct unannounced field visits as needed and requested for anti-fraud and/or quality assurance measures. The SIU investigators will also be available to assist IHSS workers with in-office interviews upon request, when there is a potentially fraudulent customer. The investigators will work with the Adult Services Division to incorporate a Fraud Deterrent segment in the IHSS Provider Orientation.

Annual Outcomes Report

SCCSA will use the tracking mechanisms in place to provide an annual outcomes report to CDSS by August 1, 2010, and each year thereafter as applicable, identifying activities, data and other outcomes associated with the prevention, detection, investigation and prosecution of IHSS fraud.

Summary

SCCSA is looking forward to the opportunity to increase program integrity efforts in our IHSS program. Please accept our plan for fraud investigation activity and know that SCCSA is prepared to implement this plan within sixty (60) days following funding, with a target date of January 1, 2010.

Enclosure D

County: Stanislaus

Overpayments identified by County QA		04/05	05/06	06/07	07/08	08/09
Total Amount per Fiscal Year:		N/A	\$3656	\$3586	\$5848	\$37,330
Number of Instances:		N/A	37	26	37	45
Breakdown of Causes	Provider:	N/A	N/A	0	0	0
	Recipient:	N/A	N/A	26	37	45
	County Error:	N/A	N/A	N/A	N/A	N/A
	Unknown:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A

Underpayments identified by County QA		04/05	05/06	06/07	07/08	08/09
Total Amount per Fiscal Year:		N/A	\$ 864	\$1032	\$4710	\$40,247
Number of Instances:		N/A	22	13	68	61
Breakdown of Causes	Provider:	N/A	N/A	N/A	N/A	N/A
	Recipient:	N/A	N/A	N/A	N/A	N/A
	County Error:	N/A	N/A	N/A	N/A	N/A
	Unknown:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A

Fraud Referrals/Outcomes		04/05	05/06	06/07	07/08	08/09
Number of referrals to DHCS:		8	25	35	21	65
Number handled locally by DA:		0	0	0	1	1
Number of convictions:		0	0	0	0	0
Court Ordered Restitution:		0	0	0	0	0
Amount of funds involved in the convictions:		0	0	0	0	0
Amount of funds recovered:		0	0	0	0	0
Amount of funds pending recovery:		0	0	0	0	0
Basis for the Conviction:						
Individuals Responsible	Recipient:	1	4	7	4	20
	Provider:	6	11	19	12	15
	County Staff:	0	0	0	0	0
	Other:	1	10	10	5	30
	Unknown:	0	0	0	0	0

N/A = Not Available

Enclosure D
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SIU Utilization of County DA for Fraud		04/05	05/06	06/07	07/08	08/09
Outcomes	Documented referrals to DA*	4	1	0	0	2
	Accepted:	4	1	0	0	2
	Rejected:	0	0	0	0	0
	Pending:	0	0	0	0	0
	Completed Investigation					
	No Fraud:	0	0	0	0	0
	Restitution Action:	4	1	0	0	2
	Referred for Prosecution:	3	0	0	0	1
	Criminal Charges Filed:	3	0	0	0	1
	No Charged Filed:	0	0	0	0	0
	Convictions:	2	0	0	0	1
	Acquittals:	0	0	0	0	0
	Dismissals:	1	0	0	0	0
	Pending Investigation:	0	0	0	0	0
	Restitution					
	Court Ordered:	2	0	0	0	1
	Restitution Action:	2	1	0	0	2
	Fines	\$400	0	0	0	\$100
	Prosecutions Completed	2	0	0	0	1
	Convictions	2	0	0	0	1
	Misdemeanor	0	0	0	0	1
	Felony	2	0	0	0	0

Budget Justification

Stanislaus County's Fraud Funding Plan for FY 2009-10

Budget Section	Total
A. Personnel Costs (includes employee benefits)	\$ 207,165
B. Operating Expenses	\$ 86,512
C. Equipment Expenses	\$ 93,115
D. Travel/Per Diem and Training	\$ 0
E. Subcontracts and Consultants	\$ 0
F. Other Costs	\$ 10,983
G. Indirect Expenses	\$ 0
Total Expenses	\$ 397,775

A. Personnel Costs (including employee benefits)	Total Budget
Title: Special Investigator I/II Salary Calculation: Average monthly Salary for a fraud investigator for 6 months Duties Description: Sworn peace officers who will conduct fraud investigations in the IHSS program. The investigations will include, but not be limited to, home visits and consent searches, interviews with providers and recipients, interviews with witnesses, various types of surveillance, and obtaining and reviewing documentary evidence. Cases found fraudulent will be assessed for overpayments and may be referred to the District Attorney's Office for criminal prosecution when appropriate.	\$ 47,466
Title: Special Investigator I/II (Extra Help or Personal Services Contractor)* Salary Calculation: Average monthly Salary for a fraud investigator for 6 months Duties Description: Sworn peace officers who will conduct fraud investigations in the IHSS program. The investigations will include, but not be limited to, home visits and consent searches, interviews with providers and recipients, interviews with witnesses, various types of surveillance, and obtaining and reviewing documentary evidence. Cases found fraudulent will be assessed for overpayments and may be referred to the District Attorney's Office for criminal prosecution when appropriate. *Any salary savings due to delays in staff hiring will be redirected if needed to overtime for staff on board in order to meet caseload growth.	\$ 33,226
Title: Special Investigator I/II (Extra Help or Personal Services Contractor)* Salary Calculation: Average monthly Salary for a fraud investigator for 6 months Duties Description: Sworn peace officers who will conduct fraud investigations in the IHSS program. The investigations will include, but not be limited to, home visits and consent searches, interviews with providers and recipients, interviews with witnesses, various types of surveillance, and obtaining and reviewing documentary evidence. Cases found fraudulent will be assessed for overpayments and may be referred to the District Attorney's Office for criminal prosecution when appropriate. *Any salary savings due to delays in staff hiring will be redirected if needed to overtime for staff on board in order to meet caseload growth.	\$ 33,226
Title: Special Investigator III Salary Calculation: Average monthly Salary for 75% of a fraud investigator for 6 months	\$ 35,600

Title:	\$
Description:	
Title:	\$
Description:	
Title:	\$
Description:	
Total Other Costs:	\$ 10,983.00

G. Indirect Expenses	Total Budget
Title:	\$ 0
Description:	
Title:	\$
Description:	
Total Other Costs:	\$ 0